

(d) Sales made to the State of North Carolina or any of its sub-divisions, including sales of merchandise and articles of commerce to agencies of State or local governments for distribution in public welfare or relief work. This exemption shall not apply to sales made to organizations, corporations, and institutions that are not governmental agencies, owned and controlled by the State or local governments.

Sales to Federal or State Government.

(e) The gross receipts from sales of tangible personal property which the State is prohibited from taxing under the Constitution or laws of the United States of America or under the Constitution of this State.

Constitutional exemptions.

(f) Accounts of purchasers, representing taxable sales, on which the tax imposed by this article has been paid, that are found to be worthless and actually charged off for income tax purposes may, at corresponding periods, be deducted from gross sales in so far as they represent taxable sales made after July first, one thousand nine hundred thirty-three, and to be added to gross sales if afterwards collected.

Deductions of bad accounts charged off.

(g) Sales of public school books on the adopted list and the selling price of which is fixed by State contract.

School books.

(h) Sales of used articles taken in trade, or a series of trades, as a credit or part payment on the sale of a new article, provided the tax levied in this article is paid on the full gross sales price of the new article. In the interpretation of this sub-section, new article shall be taken to mean the original stock in trade of the merchant, and shall not be limited to newly manufactured articles. The resale of articles repossessed by the vendor shall likewise be exempt from gross sales taxable under this article.

Used articles taken as credit on new.

New article defined.

(i) Conditional exemptions:

In addition to the exemptions set out in this section there shall also be an exemption of sales by retail merchants, upon conditions hereinafter set out, of the following articles:

Conditional exemptions.

Flour, meal, meat, lard, milk, molasses, salt, sugar, coffee, bread and rolls.

Primary and essential articles of food; enumerated and defined.

It is the intention that this exemption shall apply to these primary and essential articles of food as the words used are commonly understood.

Flour means wheat flour and does not include cereal products other than flour.

"Flour" defined.

Meal means corn meal and not grits, flakes, or other cereal products.

"Meal" defined.

Meat includes fresh or cured meats of animals or fish other than shell-fish, but does not include any specialized products in cans, jars, boxes, or cartons for the retail trade.

"Meat" defined.

Lard is intended to include articles commonly understood by the use of this term, both from animal fat and vegetable substitutes, but does not include oleomargarine, butter, oils, or other like products.

"Lard" defined.